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Signed and Filed: May 10, 2019

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U.S. Bankruptcy Judge

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Committee of Tort Claimants*

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION

-and-

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

**All papers shall be filed in the Lead Case,
No. 19-30088 (DM)*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**ORDER APPROVING THE
APPLICATION OF THE OFFICIAL
COMMITTEE OF TORT CLAIMANTS
PURSUANT TO 11 U.S.C. § 1103 AND
FED. R. BANKR. P. 2014 AND 5002 TO
RETAIN AND EMPLOY LINCOLN
PARTNERS ADVISORS LLC AS A
FINANCIAL ADVISER EFFECTIVE AS
OF MARCH 1, 2019**

1 Upon the Application, dated March 29, 2019, (the “**Application**”),¹ of the Official
2 Committee of Tort Claimants (the “**Committee**”) of PG&E Corporation and Pacific Gas and
3 Electric Company (collectively the “**Debtors**”) for an order authorizing the Committee to retain
4 and employ Lincoln Partners Advisors LLC (“**Lincoln**”) as financial advisor to the Committee,
5 effective as of March 1, 2019, pursuant to section 1103(a) of title 11 of the United States Code
6 (the “**Bankruptcy Code**”), and Rules 2014 and 5002 of the Federal Rules of Bankruptcy
7 Procedure (the “**Bankruptcy Rules**”), and in accordance with the terms and conditions set forth
8 in the engagement letter between the Committee and Lincoln dated March 1, 2019 (the
9 “**Engagement Letter**”) as such was affixed to the Williams Declaration, and the Supplement to
10 the Applications of the Official Committee of Tort Claimants to Retain and Employ Lincoln
11 Partners Advisors LLC and Development Specialists, Inc. as its Financial Advisors, dated May 3,
12 2019, (the “**Supplement**”), and this Court having jurisdiction to consider the Application and the
13 relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, *Order Referring Bankruptcy Cases*
14 *and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.), and Rule 5011-1(a) of the
15 Bankruptcy Local Rules for the United States District Court for the Northern District of California
16 (the “**Bankruptcy Local Rules**”); and consideration of the Application and the requested relief
17 being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court
18 pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found and determined that notice
19 of the Application as provided to the parties listed therein is reasonable and sufficient; and it
20 appearing that no other or further notice need be provided; and this Court having reviewed the
21 Application and the Williams Declaration; and it appearing that the relief requested in the
22 Application is in the best interests of the Debtors, their estates, creditors, shareholders, and all
23 parties in interest; and upon all of the proceedings had before this Court and after due deliberation
24 and sufficient cause appearing therefor,

25 IT IS HEREBY ORDERED THAT:

- 26 1. The Application is approved solely to the extent set forth herein.
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¹ Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such terms in the Application.

1 2. The Committee is authorized, pursuant to section 1103 of the Bankruptcy Code and
2 Bankruptcy Rules 2014(a) and 5002, to engage Lincoln as its financial advisor in these Cases,
3 effective as of March 1, 2019. The terms of Lincoln's engagement, with the exception of Lincoln's
4 compensation and reimbursement of expenses, will be pursuant to the terms of the Engagement
5 Letter, which scope shall be amended as reflected in the Supplement.

6 3. Lincoln shall be compensated for fees and reimbursed for reasonable and necessary
7 expenses and shall file monthly fee statements and interim and final fee applications for the
8 allowance of compensation for services rendered and reimbursement of expenses incurred in
9 accordance with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the
10 Bankruptcy Local Rules, the order entered by this Court on February 28, 2019 establishing the
11 procedures for interim compensation and reimbursement of expenses of professionals [Doc. No.
12 701], the *United States Bankruptcy Court Northern District of California Guidelines for*
13 *Compensation and Expense Reimbursement of Professionals and Trustees*, effective February 19,
14 2014, and the *U.S. Trustee Guidelines for Reviewing Applications for Compensation and*
15 *Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11*
16 *Cases*, effective November 1, 2013, and any other order of the Court.

17 4. In connection with any increases in Lincoln's rates, as set forth in paragraph 16 of
18 the Application, Lincoln shall file a supplemental declaration with this Court and provide ten [10]
19 business days' notice to the United States Trustee and the Debtors prior to filing a fee statement
20 or fee application reflecting an increase in such rates. The supplemental declaration shall set forth
21 the requested rate increases, explain the basis for the requested rate increases in accordance with
22 section 330(a)(3)(F) of the Bankruptcy Code and certify that the Committee has consented to the
23 requested rate increases. The United States Trustee retains all rights to object to any rate increase
24 on all grounds including, but not limited to, the reasonableness standard provided for in section
25 330 of the Bankruptcy Code, and all rates and rate increases are subject to review by the Court.

26 5. Notwithstanding anything to the contrary herein, the Office of the United States
27 Trustee shall have the right to object to Lincoln's interim and final fee applications (including
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1 expense reimbursement) on all grounds, including the reasonableness standard provided in section
2 330 of the Bankruptcy Code.

3 6. Notwithstanding anything to the contrary in the Application, any of its attachments,
4 or the Engagement Letter, Lincoln shall not seek reimbursement of any fees or costs arising from
5 the defense of any of Lincoln's monthly fee statements or fee applications in these Cases.
6 Approval of the Application and any terms of the Engagement Agreement shall not alter the result
7 dictated by the holding in Baker Botts L.L.P. v. ASARCO LLC, 135 S. Ct. 2158, 2169 (2015) and
8 its construction of 11 U.S.C. § 330(a)(1).

9 7. The indemnification, exculpation, contribution, reimbursement and related
10 provisions set forth in the Engagement Letter and Indemnification Letter are approved, subject
11 during the pendency of these Cases to the following:

- 12 (a) Lincoln shall not be entitled to indemnification, contribution or
13 reimbursement for services other than the services provided under the
14 Engagement Letter, unless such services and the indemnification,
15 contribution or reimbursement therefor are approved by the Court; and
16 (b) notwithstanding any provisions of the Engagement Letter or
17 Indemnification Letter to the contrary, the Debtors shall have no obligation
18 to indemnify an Indemnified Person or provide contribution or
19 reimbursement to an Indemnified Person (i) for any claim or expense that
20 is judicially determined (the determination having become final) to have
21 arisen from such Indemnified Person's bad faith, gross negligence, willful
22 misconduct, or negligence (ii) for a contractual dispute in which the
23 Committee alleges the breach of Lincoln's contractual obligations if the
24 Court determines that indemnification, contribution, or reimbursement
25 would not be permissible, or (iii) for any claim or expense that is settled
26 prior to a judicial determination as to the exclusions set forth in clauses (i)
27 and (ii) above, but determined by this Court, after notice and a hearing, to
28 be a claim or expense for which such Indemnified Person should not receive

1 indemnity, contribution or reimbursement under the terms of the
2 Engagement Letter and Indemnification Letter, as modified by this Order.

3 8. To the extent that there may be any inconsistency between the terms of the
4 Application, the Engagement Letter and this Order, the terms of this Order shall govern.

5 9. Notwithstanding anything to the contrary in the Application, any of its attachments,
6 or the Engagement Letter, Lincoln's allowed compensation shall have the same priority as the
7 allowed professional fees and expenses of other professionals retained in the Cases.

8 10. The relief granted herein shall be binding upon any chapter 11 trustee appointed in
9 the Cases, or upon any chapter 7 trustee appointed in the event of a subsequent conversion of the
10 Cases to cases under chapter 7.

11 11. The Committee is authorized to take all steps necessary or appropriate to carry out
12 this Order.

13 12. This Court shall retain jurisdiction to hear and determine all matters arising from
14 or related to the implementation, interpretation, or enforcement of this Order. For the avoidance
15 of doubt, notwithstanding any provision in the Engagement Letter to the contrary, during the
16 pendency of these Cases, this Court shall have exclusive jurisdiction over the approval of fees due
17 and owing to Lincoln for this retention.

18 ** END OF ORDER **
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